

Message Text

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TO AMEMBASSY BANGKOK

C O N F I D E N T I A L STATE 133974

E.O. 11652: GDS

TAGS: SNAR, TH

SUBJECT: PROPOSED NARCOTICS SUPPLEMENTAL BONUS SYSTEM

REFERENCE: BANGKOK 9765

1. SUMMARY: THE DEPARTMENT WELCOMES THE THOUGHTFUL PROPOSAL TRANSMITTED IN REFTEL. WITH CERTAIN CLARIFICATIONS WE BELIEVE THE EMBASSY'S PROPOSAL CAN CONTRIBUTE SIGNIFICANTLY TO ALLEVIATING THE CURRENT THAI REWARDS PROBLEMS CAUSED BY DEA FUNDING LIMITATIONS. LOOKING FURTHER AHEAD, YOUR THOUGHTS ON HOW BEST TO RESOLVE THE LONG TERM REWARDS PROBLEM WOULD BE APPRECIATED. END SUMMARY.

2. WHILE IN GENERAL AGREEMENT WITH THE EMBASSY'S PROPOSAL, WE WOULD WELCOME FURTHER CONSIDERATION OF CERTAIN POINTS RAISED IN OUR WASHINGTON DISCUSSIONS. THESE ARE AS FOLLOWS:

A. IN KEEPING WITH OUR POLICY OF EMPHASIZING THE GLOBAL
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ASPECTS OF THE DRUG ABUSE PROBLEM WE WOULD LIKE TO BROADEN THE SCOPE PROPOSED IN PARA 2 REFTEL. PERHAPS WE COULD EXPAND OUR FOCUS TO INCLUDE DRUGS DESTINED FOR THE INTERNATIONAL MARKET RATHER THAN EXCLUSIVELY FOR THE US. A BROADER FOCUS WOULD REINFORCE OUR EFFORTS TO HAVE ILLICIT NARCOTICS PRODUCTION AND TRAFFIC VIEWED AS AN INTERNATIONAL PROBLEM, AND AT THE SAME TIME ALLOW US TO DEMONSTRATE OUR

CONCERN FOR THAILAND'S OWN DRUG PROBLEM. WOULD SUCH BROADENING ADD MEASURABLY TO THE COST?

B. REGARDING THE ACTUAL BONUS SCHEDULE SUGGESTED IN PARA 7 OF REFTEL, WOULD WE BE BETTER ADVISED TO ADHERE MORE CLOSELY TO SOME OF THE PRINCIPLES OF THE CURRENT PNSC SYSTEM? SPECIFICALLY, WE ARE INTERESTED IN THE CONCEPT OF HALF THE BONUS PAID AT TIME OF SEIZURE, AND THE REMAINDER PAID UPON ARREST AND CONVICTION OF THE FELON. IF THERE IS NO ARREST, ONLY HALF THE BONUS IS PAID. WE WONDER WHETHER WE SHOULD BE MORE GENEROUS THAN THE THAI THEMSELVES.

C. PARA 7 CONTAINS ESSENTIALLY THE ABOVE CONCEPT (PARA 2B) BY PROVIDING FOR 20 PERCENT ADDITIONAL BONUS IN CASE OF ARREST AND A DOUBLING OF THE BONUS IN CASE OF CONVICTION. YET IN SO DOING, IT RAISES THE POTENTIAL BONUS TO A HIGH LEVEL APPROACHING, IN SOME CASES, THE FREE MARKET PRICE. FOR EXAMPLE, IF A KILO OF HEROIN IS SEIZED, AN ARREST MADE, AND SUBSEQUENT CONVICTION OBTAINED, THE POTENTIAL BONUS INVOLVED WOULD BE DOLS. 1160 (DOLS. 500 FROM THE RTG, DOLS. 300 FROM THE USG FOR THE SEIZURE, A 20 PERCENT PREMIUM OF DOLS. 60 FOR THE ARREST, AND ANOTHER DOLS. 300 FOR THE CONVICTION). IT IS OUR UNDERSTANDING THAT THE LATEST PRICE FIGURES FOR HEROIN NUMBER 4 IN THE MAI SAI AREA IS LESS THAN DOLS. 1300 PER KILO. ADMITTEDLY, THE PRICE RISES SHARPLY AS THE HEROIN MOVES OUT OF NORTHERN THAILAND, BUT THERE WOULD STILL BE ROOM FOR MISUNDERSTANDING OF OUR INTENT IN SOME QUARTERS IF WE ENDED UP PAYING CLOSE TO MARKET PRICES. CONFIDENTIAL

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D. IN VIEW OF THE ABOVE, IS THE SUGGESTED BONUS SCHEDULE TOO HIGH?

E. PERHAPS THE MINIMUM QUANTITIES PROPOSED IN ORDER TO QUALIFY FOR THE BONUS SHOULD ALSO BE REVIEWED. WE NOTE THAT THE CURRENT DEA REWARD SYSTEM IS BASED UPON LARGER MINIMUM QUANTITIES (I.E., 4 KILOS FOR HEROIN), A FACT REFLECTING OUR EMPHASIS UPON CONCENTRATING EFFORTS ON THE LARGER TRAFFICKERS. SINCE WE VIEW THE USE OF S/NM FUNDS PRIMARILY AS A SHORT TERM SUPPLEMENT TO DEA'S REWARD PRACTICES (WHICH WE UNDERSTAND TO BE SATISFACTORY TO THE THAI), PERHAPS WE SHOULD RETAIN THE CURRENT DEA MINIMUM AMOUNTS.

F. WE WOULD APPRECIATE ELABORATION AS TO WHAT CONSTITUTES A "WORKING REFINERY."

G. CONCERNED THAI AND US OFFICIALS HAVE LONG BEEN AWARE OF THE DESIRABILITY OF DESTROYING SEIZED NARCOTICS AS QUICKLY

AS POSSIBLE AFTER SEIZURE. WE UNDERSTAND THAT RECENT THAI LEGAL RULINGS HAVE MADE IT POSSIBLE TO RETAIN ONLY A SAMPLE INSTEAD OF THE ENTIRE LOT OF SEIZED NARCOTICS AS EVIDENCE. MIGHT WE NOT, IN CONNECTION WITH OUR BONUS SYSTEM, OBTAIN THAI AGREEMENT TO IMMEDIATE DESTRUCTION OF HEROIN SEIZED? AS FOR SEIZED MORPHINE AND OPIUM, WE RECOGNIZE THAT IT CAN BE SOLD EASILY TO PHARMACEUTICAL COMPANIES AND THAT ITS DESTRUCTION MIGHT BE MORE DIFFICULT TO ACHIEVE. IN THAT CASE, PERHAPS WE COULD ACHIEVE MORE EFFICIENT STORAGE AND ACCOUNTABILITY OF THE DRUGS BY CAREFUL CONSTRUCTION OF OUR BONUS SYSTEM.

3. AS ALLUDED TO PREVIOUSLY, WE SEE ANY POTENTIAL USE OF S/NM FUNDS AS A SUPPLEMENT TO THE PRESENT DEA REWARDS SYSTEM. CONSEQUENTLY, THAI INVOLVEMENT IN THE MECHANICS WOULD BE NIL, AS IT WOULD BE SIMPLY A TRANSFER OF FUNDS HERE IN WASHINGTON. FUNDS FOR USE IN FY 77 MAY OR MAY NOT BE AVAILABLE.
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ABLE. FOR FY 78 WE ARE FAIRLY CERTAIN THAT S/NM SUPPLEMENTARY FUNDS COULD BE MADE AVAILABLE. AFTER FY 78, HOWEVER, WE ARE UNCERTAIN AS TO THE POSSIBILITIES OF CONTINUED S/NM FUNDS FOR THE PURPOSE IN QUESTION. WE WOULD PROPOSE, THEREFORE, THAT WE DIRECT OUR THINKING TOWARDS AN INITIAL LIMITING OF S/NM SUPPLEMENTS TO FY 78. UNFORTUNATELY, DEA BUDGET CEILINGS MAKE IT UNLIKELY THAT IT WILL BE ABLE TO PROVIDE AN APPRECIABLY GREATER PROPORTION OF REWARD MONIES IN THE FUTURE. WE ARE TALKING, THEREFORE, ABOUT A SHORT TERM RESPONSE RATHER THAN A PERMANENT SOLUTION TO THE REWARDS ISSUE. IF OTHER COUNTRIES INSISTED UPON REWARD OR BONUS SUPPLEMENTS OUR BUDGETARY PROBLEMS WOULD BE EVEN MORE SERIOUS.

4. WHAT ABOUT THE LONGER TERM? WE AGREE THAT THE CURRENT RTG DRUG REWARD SCHEDULES ARE FAIRLY GENEROUS, AND THAT THEIR GREATEST PROBLEM LIES WITH EXCESSIVE BUREAUCRATIC DELAYS IN GETTING THE MONEY TO ENFORCEMENT OFFICERS. AS WE UNDERSTAND IT, ONE OF THE MAJOR CONSIDERATIONS MOTIVATING DEA WHEN IT FIRST STARTED PAYING REWARDS IN THAILAND WAS THE NEED TO GET AROUND INORDINATE DELAYS IN THE THAI SYSTEM. THIS PROBLEM HAS LONG BEEN RECOGNIZED BY MANY, INCLUDING GENERAL POW SARASIN, WHO HAVE LONG SOUGHT TO SPEED UP THE PAYMENT OF REWARDS. IDEALLY, REFORMING THE THAI SYSTEM WOULD ALLEVIATE THE NEED FOR THE USG TO CONTINUE PAYING REWARDS IN THAILAND.

5. WE BELIEVE IT MIGHT BE PRODUCTIVE TO APPRISE GENERAL POW OF THE BUDGETARY PROSPECTS OUTLINED IN PARA 3, AS

WELL AS OUR OWN DESIRE TO ASSIST IN RATIONALIZING THE THAI

REWARD SYSTEM. PERHAPS HIS OWN EFFORTS TO STREAMLINE THE THAI SYSTEM WOULD BE ENHANCED IF OTHER POLICE OFFICIALS WERE MADE AWARE OF DEA FUNDING LIMITATIONS. BY SOLICITING POW'S VIEWS ON HOW BEST TO STRAIGHTEN OUT THE THAI SYSTEM WE MIGHT BE ALERTED TO OTHER WAYS IN WHICH THE USG COULD
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ASSIST. IS THERE A ROLE HERE FOR WESTERN EUROPEAN COUNTRIES?

6. NATURALLY, THE ABOVE DISCUSSION AND OUTLOOK DOES NOT APPLY TO TRADITIONAL USE OF DEA'S PE/PI FUNDS USED FOR INFORMATION CONCERNING HIGH-LEVEL TRAFFICKERS.

7. WE WELCOME THE EMBASSY'S FURTHER COMMENTS, WHICH WILL ASSIST US IN JUSTIFYING THIS PROGRAM TO ALL INTERESTED PARTIES. VANCE

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